



# Biotech Daily

Thursday August 22, 2019

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: PRO MEDICUS UP 16%;  
- MEDICAL DEVELOPMENTS DOWN 5%**
- \* **ASX SUSPENDS FIVE BIOTECHS FOR FAILURE TO PAY FEES**
- \* **PRO MEDICUS REVENUE UP 48% TO \$50m, PROFIT UP 92% TO \$19m**
- \* **POLYNOVO REVENUE UP 128% TO \$13.7m, LOSS DOWN 47% TO \$3.2m**
- \* **CRYOSITE REVENUE UP 35% TO \$8m, LOSS UP 39% TO \$1.7m**
- \* **CYCLOPHARM H1 REVENUE UP 2.5% TO \$6.5m, LOSS UP 342% TO \$3m**
- \* **PYC (PHYLOGICA) CPP DELIVERS ANTISENSE DRUG IN MICE**
- \* **MACH7 \$950k ST TERESA'S HOSPITAL IMAGING CONTRACT**
- \* **GI DYNAMICS \$10m CRYSTAL AMBER NOTES**
- \* **ADHERIUM \$1.8m ONE FUNDS, SUMMATIX CONVERTIBLE NOTES**
- \* **IMMUTEP GRANTED EUROPEAN IMP321 PATENT**
- \* **JAPAN ACCEPTS ORTHOCELL CELGRO PATENT**
- \* **EUROPEAN PATENT ALLOWED FOR CELLMID MIDKINE ANTIBODIES**
- \* **UNIVERSAL BIOSENSORS: 'SIEMENS DEAL IN SEPTEMBER'**
- \* **RESAPP REQUESTS 'CE MARK APPLICATION' TRADING HALT**
- \* **G MEDICAL REQUESTS NASDAQ LISTING TRADING HALT**
- \* **ZELDA: 103 OF 150 MARIJUANA AUTISM TRIAL PATIENTS RECRUITED**
- \* **CRESO: PHARMA DYNAMICS AFRICA CANNQIX10 DISTRIBUTOR**
- \* **CREDIT SUISSE BELOW 5% IN ADALTA**

## MARKET REPORT

The Australian stock market was up 0.29 percent on Thursday August 22, with the ASX200 up 18.5 points to 6,501.8 points. Nineteen of the Biotech Daily Top 40 stocks were up, 11 fell, eight traded unchanged and two were untraded. All three Big Caps rose.

Pro Medicus was the best, up \$4.25 or 16.1 percent to \$30.58 with 633,830 shares traded. LBT climbed 13.4 percent; Kazia was up 8.8 percent; Impedimed improved 7.7 percent; Oncosil, Optiscan and Polynovo were up more than six percent; Pharmaxis was up 5.4 percent; Immutep and Opthea improved more than four percent; Dimerix and Volpara were up more than three percent; Neuren and Telix rose more than two percent; Clinuvel, CSL, Genetic Signatures and Orthocell were up more than one percent; with Cochlear, Compumedics, Mesoblast and Resmed up by less than one percent.

Medical Developments led the falls, down 23 cents or 4.6 percent to \$4.74, with 113,090 shares traded, followed by Imugene and Uscom both down 4.55 percent to 2.1 cents and 10.5 cents, respectively. Ellex and Patrys lost more than two percent; Antisense, Cynata and Nanosonics were down more than one percent; with Next Science, Paradigm and Starpharma down by less than one percent.

## ASX SUSPENSIONS

The ASX says it has suspended Admedus, Airxpanders, Genera Biosystems, Invitrocue and Reva Medical for failing to pay the annual listing fee.

The ASX said companies that did not pay the listing fee for the year to June 30, 2020 by the close of trading on Wednesday August 28, 2019 would be removed that day.

## PRO MEDICUS

Pro Medicus says that revenue for the year to June 30, 2019 was up 47.9 percent to \$50,105,000 with net profit after tax up 91.9 percent to \$19,125,000.

Pro Medicus chief executive officer Dr Sam Hupert told Biotech Daily that all 2018 data had been restated to comply with new accounting standards the changed the treatment of professional services, spreading them over the life of the contract.

Pro Medicus said that North American revenue increased 42.2 percent primarily from sales of its Visage technology “as more contracts came on stream and the migration and implementation of Visage Open Archive to Mercy Health”.

The company said that European revenue increased 102.3 percent and Australian revenue increased 30.2 percent “with the rollout of the Healius (formerly Primary Health) contract and extension of its contract with I-Med being the main contributors to the increased revenue” along with contracts, sales and service and support functions.

Pro Medicus said that a fully-franked dividend of 4.5 cents per share would be paid on October 4, 2019, for holders on the record date of September 13, following an interim fully-franked dividend of 3.5 cents a share and a special fully-franked dividend of 2.5 cents a share, compared to the previous year’s fully-franked final 3.5 cents dividend and interim fully-franked 2.5 cents dividend.

Pro Medicus said that net tangible assets per share was up 50 percent to 24 cents, with diluted earnings per share up 92.6 percent to 18.32 cents for the year to June 30, 2019.

The company said it had cash and cash equivalents of \$32,315,000 at June 30, 2019 compared to \$25,238,000 at June 30, 2018.

Pro Medicus climbed \$4.25 or 16.1 percent to \$30.58 with 633,830 shares traded.

## POLYNOVO

Polynovo says that revenue for the year to June 30, 2019 was up 128.4 percent to \$13,683,323 with net loss after tax down 46.6 percent to \$3,189,893.

Polynovo said it received \$9,348,226 in revenue from sales of its Novosorb biodegradable temporizing matrix (BTM) wound treatment compared to \$1,747,102 the previous year, with a further \$4,000,994 relating to its contract with the US Biomedical Advanced Research and Development Authority (BARDA) contract.

The company said that 2018-'19 "was a pivotal year for the group with sales from Novosorb BTM increasing 435 percent on the prior year".

"Surgeons continue to be impressed with the robust nature of Novosorb BTM evident by recurring and increasing sales," Polynovo said.

The company said the loss was reduced, despite operating expenses increasing and it expected "to break even in 2019-'20, however cash flows will continue to be reinvested".

The company said diluted loss per share was down 49.5 percent to 0.48 cents, net tangible assets per share was down 7.1 percent to 3.9 cents, and it had cash and cash equivalents of \$13,920,695 at June 30, 2019 compared to \$3,147,081 at June 30, 2018. Polynovo was up 10.5 cents or 6.6 percent to \$1.69 with 4.3 million shares traded.

## CRYOSITE

Cryosite says revenue for the year to June 30, 2019 was up 34.6 percent to \$7,973,193, with net loss after tax up 38.9 percent to \$1,722,543.

Cryosite said revenue from its cord blood and tissue was up to \$2,722,000, with clinical trial logistics revenue down 2.4 percent to \$5,190,000.

The company said the increased loss was due to a fall in clinical trial logistics revenue, business development costs of \$252,000, system development costs of \$183,000 and one-off costs of \$1,488,000, including an Australian Competition and Consumer Commission (ACCC) fine of \$1,147,000 and impairment losses of \$331,000.

Cryosite said that net tangible asset backing per share fell 7.5 percent to 3.7 cents for the year to June 30, 2019, diluted loss per share increased 38.7 percent to 3.62 cents and it had cash and cash equivalents of \$3,919,897 at June 30, 2019 compared to \$4,535,827 at June 30, 2018.

Cryosite was unchanged at six cents.

## CYCLOPHARM

Cyclopharm says revenue for the six months to June 30, 2019, was up 2.5 percent to \$6,502,894, with net loss after tax up 341.7 percent to \$3,024,510.

Cyclopharm said it would pay an unfranked dividend of 0.5 cents a share for investors at the record date of September 9, 2018, the same as the previous year.

The company said that revenue was sales of patient administration sets as well as its Technegas generators for lung imaging for pulmonary embolisms.

Cyclopharm said that the increased loss was due to quality improvements and system upgrades, as well as hiring new senior staff to position the business for the next growth phase of the company, following expected US Technegas approval in 2020".

The company said that net tangible assets per share fell 23.5 percent to 13 cents, compared to 17 cents at June 30, 2018, with diluted loss per share up 338.6 percent from 1.01 cents at June 30, 2018 to 4.43 cents at June 30, 2019, with cash and cash equivalents of \$5,765,721 at June 30, 2019 compared to \$7,611,330 at June 30, 2018.

Cyclopharm was untraded at \$1.39.

### PYC THERAPEUTICS (FORMERLY PHYLOGICA)

Phylogica says its cell penetrating peptide technology can deliver an anti-sense oligonucleotide drug in mice and sustain it for longer times between drug doses.

In July, Phylogica said its cell penetrating peptide (CPP) technology was able to deliver four times the amount of anti-sense oligonucleotide drug to retina targets in mice and was 400 percent more effective at achieving “exon skipping, the desired effect of a drug cargo” (BD: Jul 23, 2019).

Earlier this month, the company said it was able to deliver the anti-sense drug with its peptide technology into human retinal pigment epithelial cells in-vitro (BD: Aug 6, 2019).

Today, Phylogica said it administered an injected single dose of 1.6 micrograms per eye to mice to test drug dosing intervals at one week, two weeks and three weeks for blinding eye diseases.

The company said it achieved 24 percent exon skipping at one week, 15 percent at two weeks and 19 percent at three weeks.

Phylogica said this showed that its delivery technology allowed for longer time periods between dosing, which increased compliance levels, the likelihood of better treatment outcomes and the likelihood of achieving an acceptable human dosing regimen.

Phylogica was up 0.3 cents or 8.6 percent to 3.8 cents with 2.4 million shares traded.

### MACH7 TECHNOLOGIES

Mach7 says it has a five-year, \$950,000 licence agreement with the Kowloon, Hong Kong-based St Teresa’s Hospital for its medical imaging products.

Mach7 said St Teresa’s would access its Enterprise Imaging Platform, Universal Worklist, QC Workflow and migration engine to move its picture archiving communication systems (PACS) into a single system.

Mach7 was up six cents or 7.5 percent to 86 cents with 1.8 million shares traded.

### GI DYNAMICS

GI Dynamics says it has \$US10 million (\$A14,773,150) in convertible notes and warrants with Crystal Amber Fund to fund trial enrolments and European approval.

GI Dynamics said the new convertible note would be for \$US4,596,893 on August 22, 2019 and it expected the funding on December 6, 2019, subject to shareholder approval at an extraordinary general meeting by December 31, 2019.

The company said 229,844,650 Chess depositary interests (CDIs) would be issued at two US cents per CDI and at a 10 percent interest rate or 16 percent if shareholder approval was not gained by the December 6, 2024 maturity date.

GI Dynamics said it had existing warrants for \$US5,403,107 from 412,427,495 CDIs, with 50 CDIs representing each US share.

The company said the funds would be used to enrol its Step-1 trial in the US, its I-Step trial in India, to gain Conformité Européenne (CE) mark approval and for general working capital.

GI Dynamics said Crystal Amber would not be permitted to convert the note into common stock or CDIs until it had shareholder approval

GI Dynamics was up 0.1 cents or three percent to 3.4 cents.

## ADHERIUM

Adherium says it has commitments to raise \$1.8 million through convertible notes to One Funds Management and Summatix, subject to shareholder approval.

Adherium said One Funds was an Asia Pacific Health Fund II trustee and Summatix was controlled by Adherium director Dr Bill Hunter through Canary Medical.

In 2015, Bioscience Managers told Biotech Daily that One Funds was Bioscience Managers' trustee and part of the Phillip Capital Group (BD: Aug 28, 2015).

Earlier this week, Adherium said it would work with Summatix for its Hailie sensors for asthma and chronic obstructive pulmonary disease inhalers (BD: Aug 20, 2019).

Today, the company said it would issue the convertible notes over the next few weeks at a nine percent interest rate payable on conversion or at the January 31, 2020 maturity date, but the rate would increase to 15 percent if it failed to obtain shareholder approval.

The company said the notes would include one option for every five shares when the notes were converted and the notes would convert at 90 percent of the 5-day volume weighted average price.

The company said that if it held a milestone raise event of raising at least \$2.5 million, a mandatory conversion would occur at the lower of 80 percent of the milestone offer price and the 20-day volume-weighted average price.

Adherium said the funds would be used for working capital.

Adherium was up 0.1 cents or 4.35 percent to 2.4 cents.

## IMMUTEP

Immutep says the European Patent Office has granted a patent for its lymphocyte activation gene-3 (LAG-3) protein derivative cancer treatment, eftilagimod alpha or IMP321.

Immutep said the patent, titled 'LAG-3 dosage regime for use in the treatment of cancer' would protect its intellectual property until October 3, 2028.

Immutep was up 0.1 cents or 4.8 percent to 2.2 cents with 4.6 million shares traded.

## ORTHOCELL

Orthocell says Japan has accepted for grant a patent covering its Celgro collagen rope technology for soft tissue repair.

Orthocell said the patent, titled 'Collagen Construct and Method for Producing the Collagen Construct' would protect its intellectual property until 2039.

Orthocell managing director Paul Anderson said the company was "extremely excited by the potential of this technology".

"An off-the-shelf biological device that augments anterior cruciate ligament reconstruction is highly desired by the orthopaedic industry and Orthocell is ideally placed to deliver a superior product in this rapidly growing and lucrative market," Mr Anderson said.

Orthocell was up half a cent or 1.3 percent to 40 cents.

## CELLMID

Cellmid says the European Patent Office intends to grant a patent covering the use of midkine antibodies as a cancer, inflammatory and autoimmune disease treatment.

Cellmid said the patent, titled 'Improved midkine antibody' would protect its intellectual property until 2035.

Cellmid was untraded at 21.5 cents.

### UNIVERSAL BIOSENSORS

Universal Biosensors says it expects to complete its term sheet agreement with Siemens Healthcare Diagnostics by September 30, 2019.

Universal Biosensors said the negotiations included a collaboration agreement and supply agreement.

Universal Biosensors was unchanged at 21 cents.

### RESAPP HEALTH

Resapp has requested a trading halt "pending the release of an announcement regarding its CE mark application".

Trading will resume on August 26, 2019 or on an earlier announcement.

Resapp last traded at 15 cents.

### G MEDICAL INNOVATIONS

G Medical has requested a trading halt "pending an announcement in respect of an update in regards [to] its proposed Nasdaq listing".

Trading will resume on August 26, 2019 or on an earlier announcement.

G Medical last traded at 12 cents.

### ZELDA THERAPEUTICS

Zelda says it has recruited 103 of 150 patients in its parent-reported observational study on the impact of medical marijuana products on autistic children.

Zelda said patients used 76 different medical marijuana products to identify differences between tetrahydrocannabinol (THC)-only, cannabidiol (CBD)-only and combination products on autism-related behaviors.

Zelda was up 0.1 cents or 1.45 percent to seven cents with 2.8 million shares traded.

### CRESO PHARMA

Creso says the Cape Town, South Africa-based Pharma Dynamics has made an initial \$150,000 order in an agreement to distribute its marijuana-based Cannaqix products.

Creso said Pharma Dynamics was a subsidiary of the Mumbai, India-based Lupin Limited and would distribute Cannaqix10 in South Africa, Namibia, Botswana, Zimbabwe, Swaziland, Lesotho, Angola, Mozambique and Uganda and it expected it to be available in South African retail pharmacies by the end of the year.

Creso fell 1.5 cents or 3.6 percent to 40.5 cents.

### ADALTA

Sydney's Credit Suisse Holdings says it has ceased its substantial holding in Adalta.

Credit Suisse said that between July 1 and August 16, 2019, it bought and sold shares, with a single largest sale 1,024,690 shares for \$133,271 or 13 cents a share.

Adalta was up half a cent or 4.2 percent to 12.5 cents.